

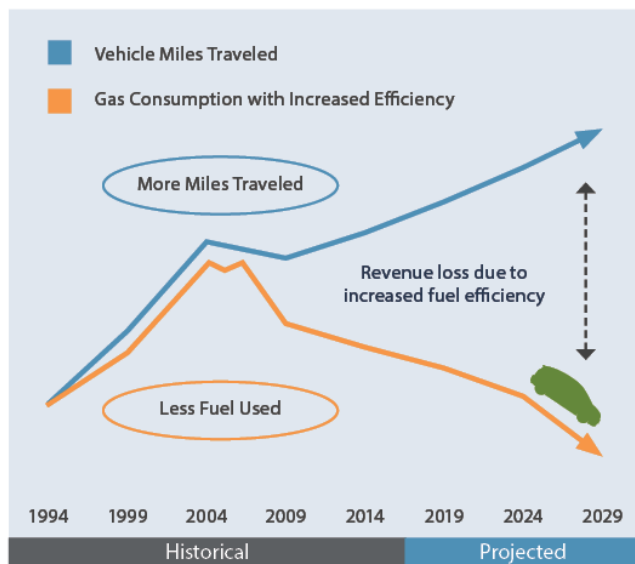
CALIFORNIA ROAD CHARGE PILOT PROGRAM



WHAT IS A ROAD CHARGE?

A Road Charge, or mileage-based user fee, is a fair user-pays funding mechanism where drivers fund road improvements based on the miles they drive, rather than the amount of gasoline they purchase.

FUEL EFFICIENCY CONTRIBUTES TO FUNDING GAP



ROAD CHARGE TECHNICAL ADVISORY COMMITTEE

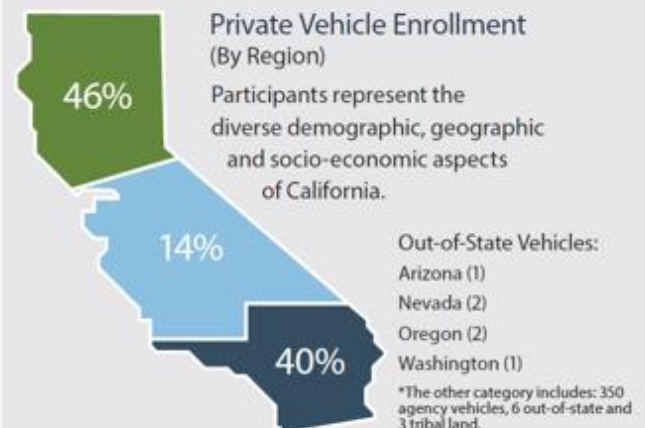
In an effort to find a potential funding solution, in 2014 the Legislature passed, and the Governor signed into law, Senate Bill 1077 (DeSaulnier), directing the California Transportation Commission (Commission) to establish a Technical Advisory Committee (TAC). The Commission, in consultation with the California State Transportation Agency (CalSTA), identified and appointed a 15-member TAC representing a broad-spectrum of individuals and a diverse group of stakeholders from across the state.

WHY STUDY A ROAD CHARGE?

An efficient transportation system is critical for our quality of life and economy. The revenues currently available for highways and local roads originate primarily from excise taxes paid on each gallon of gas sold. While recent legislation (Senate Bill 1, Beall) was enacted in 2017 to address inflation, over time revenues collected will be insufficient to preserve and maintain the infrastructure we have, not including improvements that would reduce congestion and improve safety. Revenues will decline primarily due to the following:

- ✓ **Fuel efficiency** – Congress first enacted fuel efficiency standards in 1975. The standard was 18 mpg for 1978 model year cars. The latest standard set in 2016 is 39 miles per gallon (mpg). This is expected to increase to 54.5 mpg in 2025.
- ✓ **More people** – Between 1994 and 2016, miles driven increased more than 35% from about 144 billion to an estimated 195 billion miles. Over time the miles driven are expected to increase.

Statewide Pilot Program with >5,000 Vehicles



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Assembly Member Jim Frazier

Executive Director
Susan Bransen

PROGRAM DESIGN RECOMMENDATIONS

The TAC issued the following key pilot program recommendations in December 2015:

- ✓ Offer a choice of mileage recording methods:
 - Time permits, mileage permits, post-pay odometer charges, automated distance charging without location information, telematics and automated distance charging with general location information.
- ✓ Offer a choice of account managers, including a simulated state account manager and more than one commercial account manager.
- ✓ Test an open system design to allow the use of multiple operational concepts, technologies, and service providers.
- ✓ Test interoperability with other states.
- ✓ Require and test data security.
- ✓ Contain robust privacy protection features.
- ✓ Recruit 5,000 participants reflecting the diversity of California:

PILOT PROGRAM EVALUATION CRITERIA

The TAC also recommended 50 evaluation criteria, including:

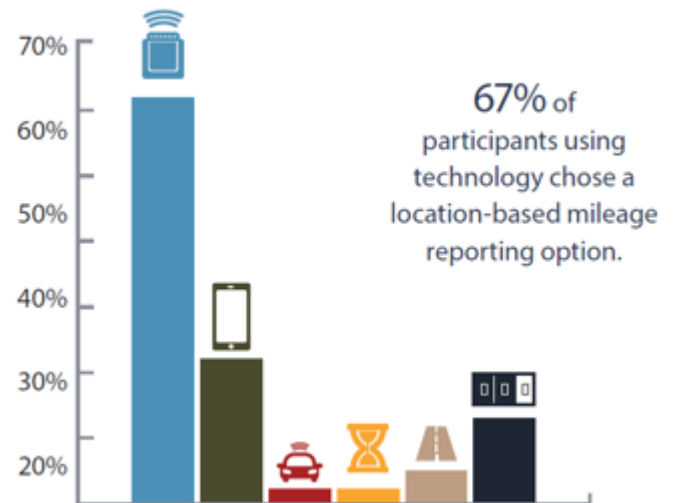
- ✓ Protection of privacy and data
- ✓ Ability to match fuel tax revenue
- ✓ Ease and cost of administration and use
- ✓ Accuracy of reported data
- ✓ User acceptance
- ✓ Road charges and compliance cost

For a copy of the full TAC report please visit:

http://www.catc.ca.gov/meetings/Committees/Road_Charge/Road_Charge.html

PILOT PROGRAM NEXT STEPS

The Road Charge pilot concluded on March 31, 2017. CalSTA is in the process of developing a report of its findings based on the results of the pilot program. Once complete, the report will be issued to the TAC, the Commission, and the Legislature. The CalSTA report must address cost, privacy, jurisdictional issues, feasibility, complexity, acceptance, use of revenues, security and compliance, data collection technology, the potential for additional driver services, and implementation issues. The Commission will consider the information set forth in CalSTA's report and seek input from the TAC for purposes of issuing recommendations regarding the Road Charge pilot program to the Legislature.



Pilot Participants Chose From Six Reporting Options

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